

Currency Impact

Table-5: Currency Movement - FOREX Rates

Currency	12-04-2020	12-11-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	73.74	73.59	-0.20
Euro (EUR)	1.21	1.21	0.00
Japanese Yen (JPY)	104.19	104.04	-0.14
Brazilian Real (BRL)	5.16	5.07	-1.74
Chinese Yuan (CNY)	6.53	6.55	0.31
Singapore Dollar (SGD)	1.34	1.34	0.00
Tanzanian Shilling (TZS)	2319.00	2319.00	0.00
Thai Baht (THB)	30.22	30.12	-0.33
Mozambique New Metical (MZN)	73.63	73.74	0.15
Vietnam Dong (VND)	23131.00	23129.00	-0.01
Indonesian Rupiah (IDR)	14105.00	14080.00	-0.18
West African Franc (XOF)	539.50	539.50	0.00
Ghanaian New Cedi (GHS)	5.86	5.85	-0.17

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	73.60	73.30	74.25	74.55
USDBRL	5.00	4.80	5.15	5.35
USDVND	23120	23100	23160	23185

Rupee may stay in the recent range

- Indian rupee last week traded in the region of 73.97 and 73.50 and finally settled the week at 73.75 against the dollar.
- Technically rupee may well move higher towards 74.45-74.60 levels in the near term. At the same time 73.30 will act as strong support.
- For the third week in a row, rupee has settled well below 74 against the dollar on sustained FII inflows in to the market, record high equities, and weakness in USD and on hopes for an early Covid 19 vaccination.
- However, surge in crude oil prices, RBI intervention in the forex market may limit the appreciation going forward.
- India's IIP in the month of October-20 has risen to 3.6 percent, the fastest pace in seven months.

Brazil real may gain further

- Brazil real last week traded in the region of 5.1970 and 5.0136 and finally settled the week at 5.0655 against the dollar index.
- Brazil real settled below key support levels may signal further appreciation going forward.

- Technically real may test the lower support of 5 to 4.80 against the dollar index going forward. As long as 5.50 is not violated, the appreciating trend of real to remain intact.
- Real has gained most of the week and emerged as top performing currency in the Latin American region and on hopes of covid-19 vaccine rollouts and on upbeat economic indicators.
- S&P rating agency last week has affirmed its BB- investment grade on Brazil's sovereign debt and kept its outlook stable.

Vietnam dong is likely to appreciate further

- Vietnam dong last week traded in the region of 23126.50 and 23178.50 and settled the week at 23128 as on Dec-11. Dong may trade in the broader region of 23100 and 23210 going forward.

Comparative Movement of Currencies Jan-03-2020 to 11-Dec-2020

Vis-à-vis USD in cashew processing regions (Weeks starting from 03rd Jan' 2020 and value indexed to 100)

